

**2003 DRAFTING REQUEST****Bill**Received: **12/06/2002**Received By: **mshovers**Wanted: **As time permits**

Identical to LRB:

For: **Donald Friske (608) 266-7694**By/Representing: **Tim**This file may be shown to any legislator: **NO**Drafter: **mshovers**

May Contact:

Addl. Drafters: **pgrant**

Subject: **Tax (indiv) - deduct/subtract**  
**Munis - miscellaneous**  
**Counties - miscellaneous**  
**Education - school finance**

Extra Copies: **MJL**Submit via email: **YES**Requester's email: **Rep.Friske@legis.state.wi.us**

Carbon copy (CC:) to:

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**Pre Topic:**

No specific pre topic given

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**Topic:**

Requirements for local referenda to borrow money

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**Instructions:**

See Attached. In any instance in which a local governmental unit holds a referendum to approve the borrowing of money, the ref. question must include an estimate of the interest to be paid and how long until the loan is paid off.

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L
/1	mshovers	wjackson	jfrantze	_____	sbasford		S&L

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Page 2

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
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	pgrant			_____			
	12/16/2002			_____			
	mshovers			_____			
	12/16/2002			_____			
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	01/22/2003	01/23/2003	01/24/2003	_____	01/24/2003	01/24/2003	

FE Sent For:

Att intro.

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Page 2

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See Attached. In any instance in which a local governmental unit holds a referendum to approve the borrowing of money, the ref. question must include an estimate of the interest to be paid and how long until the loan is paid off.

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Page 2

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pgrant

12/16/2002

mshovers

12/16/2002

12 MESGPG 1/22/03

FE Sent For:

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**Instructions:**

See Attached. In any instance in which a local governmental unit holds a referendum to approve the borrowing of money, the ref. question must include an estimate of the interest to be paid and how long until the loan is paid off.

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Tim - Rep Friske

67694

to borrow \$

req. local referendums to include

an estimate of interest to be paid

how long until the loan is paid  
off



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-10747

MES

Mon Jan 27

DN

x PG  
RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

gen

- 1 AN ACT ...; relating to: requiring certain referenda held by local governmental  
2 units to contain financial details.  
to borrow money

*Analysis by the Legislative Reference Bureau*

Generally under current law, any local governmental unit (including a city, village, town, county, school district, technical college district, and metropolitan sewerage district) which is authorized to levy a tax may borrow money and issue municipal obligations to finance any project that is undertaken for a public purpose. Under various circumstances, a local governmental unit that issues debt may or may not be required to conduct a referendum on the question of its proposed borrowing.

Under this bill, if a local governmental unit that would like to borrow money is required by current law to hold a referendum on the question of whether it may issue debt, the referendum question must contain information regarding the estimated cost of the interest payments necessitated by the issuance of the bonds and the length of time until the bonds are paid off. debt is retired

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

SECTION 1. 66.0619 (2m) (c) of the statutes is amended to read:

insert  
A  
3

FNS 2-1

66.0619 (2m) (c) The municipal clerk shall publish a class 2 notice, under ch. 985, containing a statement of the purpose of the referendum, giving the amount of the bonds proposed to be issued, the estimated cost of the interest payments necessitated by the issuance of the bonds, the length of time until the bonds are paid off, and the purpose for which they will be issued, and stating the time and places of holding the election and the hours during which the polls will be open.

History: 1971 c. 188; 1975 c. 62, 197; 1983 a. 24, 189; 1983 a. 207 s. 93 (4); 1989 a. 192; 1999 a. 150 s. 162; Stats. 1999 s. 66.0619; 1999 a. 182 s. 203.

SECTION 2. 66.0803 (1) (b) of the statutes is amended to read:

66.0803 (1) (b) A resolution, specifying the method of payment and submitting the question to a referendum, shall be adopted by a majority of all the members of the board or council at a regular meeting, after publication at least one week previous in the official paper. If the method of payment includes borrowing money, the referendum question shall contain information regarding the estimated cost of the interest payments necessitated by the issuance of debt and the length of time until the debt is paid off. <sup>specify</sup> debt is retired

History: 1977 c. 29 s. 1654 (9) (f); 1981 c. 347 ss. 13, 80 (2); 1985 a. 197; 1993 a. 16, 246; 1999 a. 150 ss. 172 to 174; Stats. 1999 s. 66.0803.

SECTION 3. 66.1103 (10) (d) of the statutes is amended to read:

66.1103 (10) (d) The governing body may issue bonds under this section without submitting the proposition to the electors of the municipality for approval unless within 30 days from the date of publication of notice of adoption of the initial resolution for the bonds, a petition conforming to the requirements of s. 8.40, signed by not less than 5% of the registered electors of the municipality, or, if there is no registration of electors in the municipality, by 10% of the number of electors of the municipality voting for the office of governor at the last general election as determined under s. 115.01 (13), is filed with the clerk of the municipality and as provided in s. 8.37 requesting a referendum upon the question of the issuance of the

1 bonds. If a petition is filed, the bonds may not be issued until approved by a majority  
2 of the electors of the municipality voting on the referendum at a general or special  
3 election. The referendum question shall contain information regarding the <sup>specify</sup>  
4 estimated cost of the interest payments necessitated by the issuance of debt and the  
5 length of time until the debt is ~~paid off~~ retired

History: 1973 c. 265; 1977 c. 28; 1979 c. 32 s. 92 (9); 1979 c. 34, 221, 350, 355; 1979 c. 361 s. 112; 1979 c. 362 ss. 3 to 12, 16, 17, 18; 1981 c. 314; 1983 a. 24, 27; 1983 a. 189 ss. 63 to 65, 329 (14); 1983 a. 207 s. 93 (8); 1983 a. 532 s. 36; 1985 a. 29, 222, 285; 1985 a. 297 s. 76; 1985 a. 299; 1987 a. 27; 1989 a. 192; 1991 a. 39, 316; 1993 a. 122, 124, 453; 1995 a. 27 ss. 9116 (5), 9130 (4); 1995 a. 201, 225, 227, 332; 1997 a. 3, 27, 35, 39; 1999 a. 9; 1999 a. 150 ss. 495 to 497; Stats. 1999 s. 66.1103; 1999 a. 182 s. 206; 2001 a. 30, 38, 103.

6 SECTION 4. 67.05 (3) (d) of the statutes is amended to read:

7 67.05 (3) (d) The question shall contain a statement of the purpose for which  
8 bonds are to be issued, the estimated cost of the interest payments necessitated by  
9 the issuance of the bonds, the length of time until the bonds are ~~paid off~~ retired <sup>debt is retired</sup> and the  
10 maximum amount of the bonds to be issued.

History: 1971 c. 29; 1971 c. 154 ss. 41, 80; 1971 c. 211, 295; 1973 c. 23; 1975 c. 182, 311, 422; 1977 c. 26; 1977 c. 29 ss. 733, 734, 1654 (8) (c); 1977 c. 427 s. 132; 1979 c. 221, 297, 311; 1981 c. 20, 282, 377, 391; 1983 a. 207 ss. 47 to 52, 93 (5), (6), (7), 95; 1983 a. 236 s. 13; 1983 a. 532 s. 36; 1983 a. 538; 1985 a. 187, 225, 304; 1987 a. 197; 1987 a. 391; 1989 a. 31, 192, 205; 1991 a. 49; 1993 a. 399; 1995 a. 378; 1997 a. 237, 286; 1999 a. 9; 1999 a. 150 ss. 622, 672; 1999 a. 182; 2001 a. 16.

11 SECTION 5. 67.05 (4) of the statutes is amended to read:

12 67.05 (4) PERMISSIVE REFERENDUM IN COUNTIES. If a county board adopts an  
13 initial resolution for an issue of county bonds to provide for the original construction  
14 or for the improvement and maintenance of highways, to provide railroad aid, or to  
15 construct, acquire or maintain, or to aid in constructing, acquiring or maintaining  
16 a bridge over or across any stream or other body of water bordering upon or  
17 intersecting any part of the county, the county clerk is not required to submit the  
18 resolution for approval to the electors of the county at a special election unless within  
19 30 days after the adoption thereof there is filed with the clerk a petition conforming  
20 to the requirements of s. 8.40 requesting such submission, signed by electors  
21 numbering at least 10% of the votes cast in the county for governor at the last general  
22 election. If a petition is filed, the question submitted shall be whether the resolution,  
23 shall be or shall not be approved, and shall contain information regarding the <sup>specify</sup>

1 estimated cost of the interest payments necessitated by the issuance of the bonds and  
2 the length of time until the ~~bonds are paid off~~ <sup>debt is retired</sup> No such resolution of a county board  
3 other than those specified in this subsection need be submitted to county electors,  
4 except as provided otherwise in sub. (7).

History: 1971 c. 29; 1971 c. 154 ss. 41, 80; 1971 c. 211, 295; 1973 c. 23; 1975 c. 182, 311, 422; 1977 c. 26; 1977 c. 29 ss. 733, 734, 1654 (8) (c); 1977 c. 427 s. 132; 1979 c. 221, 297, 311; 1981 c. 20, 282, 377, 391; 1983 a. 207 ss. 47 to 52, 93 (5), (6), (7), 95; 1983 a. 236 s. 13; 1983 a. 532 s. 36; 1983 a. 538; 1985 a. 187, 225, 304; 1987 a. 197; 1987 a. 391; 1989 a. 31, 192, 205; 1991 a. 49; 1993 a. 399; 1995 a. 378; 1997 a. 237, 286; 1999 a. 9; 1999 a. 150 ss. 622, 672; 1999 a. 182; 2001 a. 16.

5 **SECTION 6. 67.05 (5) (a) of the statutes is amended to read:**

6 67.05 (5) (a) Whenever an initial resolution has been so adopted by the  
7 governing body of a town, the clerk of the municipality shall immediately record the  
8 resolution and call a special election for the purpose of submitting the resolution to  
9 the electors of the municipality for approval. The resolution question that is  
10 submitted to the electors shall ~~contain information regarding~~ <sup>specify</sup> the estimated cost of  
11 the interest payments necessitated by the issuance of the bonds and the length of  
12 time until the ~~bonds are paid off~~ <sup>debt is retired</sup> This paragraph does not apply to bonds issued to  
13 finance low-interest mortgage loans under s. 62.237, unless a number of electors  
14 equal to at least 15% of the votes cast for governor at the last general election in their  
15 town sign and file a petition conforming to the requirements of s. 8.40 with the town  
16 clerk requesting submission of the resolution. Whenever a number of electors cannot  
17 be determined on the basis of reported statistics, the number shall be determined in  
18 accordance with s. 60.74 (6). If a petition is filed, the question submitted shall be  
19 whether the resolution shall or shall not be approved, and shall ~~contain information~~  
20 ~~regarding~~ <sup>specify</sup> the estimated cost of the interest payments necessitated by the issuance  
21 of the bonds and the length of time until the ~~bonds are paid off~~ <sup>debt is retired</sup> This paragraph is  
22 limited in its scope by sub. (7).

History: 1971 c. 29; 1971 c. 154 ss. 41, 80; 1971 c. 211, 295; 1973 c. 23; 1975 c. 182, 311, 422; 1977 c. 26; 1977 c. 29 ss. 733, 734, 1654 (8) (c); 1977 c. 427 s. 132; 1979 c. 221, 297, 311; 1981 c. 20, 282, 377, 391; 1983 a. 207 ss. 47 to 52, 93 (5), (6), (7), 95; 1983 a. 236 s. 13; 1983 a. 532 s. 36; 1983 a. 538; 1985 a. 187, 225, 304; 1987 a. 197; 1987 a. 391; 1989 a. 31, 192, 205; 1991 a. 49; 1993 a. 399; 1995 a. 378; 1997 a. 237, 286; 1999 a. 9; 1999 a. 150 ss. 622, 672; 1999 a. 182; 2001 a. 16.

23 **SECTION 7. 67.05 (6) of the statutes is amended to read:**

67.05 (6) REFERENDUM IN OTHER CASES. Whenever an initial resolution has been adopted by the governing body of any municipality other than a county, a town, a city, a village, a technical college district, a metropolitan sewerage district created under ss. 200.01 to 200.15 or 200.21 to 200.65, a town sanitary district, a public inland lake protection and rehabilitation district or a board of park commissioners, the clerk of such municipality shall immediately record the resolution and call a special meeting for the purpose of submitting it to the electors of the municipality for ratification or rejection. The calling and conduct of the meeting shall be governed by those statutes, so far as applicable, which govern the calling and conduct of special meetings in general. The notice of the meeting, which shall be publicly read before the balloting shall commence, and the ballot used, shall embody a copy of the resolution; the form of the ballot shall correspond with the form prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a); and the question submitted shall be whether the resolution shall be approved. The question submitted shall also contain information <sup>specify</sup> ~~regarding~~ the estimated cost of the interest payments necessitated by the issuance of the bonds and the length of time until the bonds are paid off <sup>debt is retired</sup>

History: 1971 c. 29; 1971 c. 154 ss. 41, 80; 1971 c. 211, 295; 1973 c. 23; 1975 c. 182, 311, 422; 1977 c. 26; 1977 c. 29 ss. 733, 734, 1654 (8) (c); 1977 c. 427 s. 132; 1979 c. 221, 297, 311; 1981 c. 20, 282, 377, 391; 1983 a. 207 ss. 47 to 52, 93 (5), (6), (7), 95; 1983 a. 236 s. 13; 1983 a. 532 s. 36; 1983 a. 538; 1985 a. 187, 225, 304; 1987 a. 197; 1987 a. 391; 1989 a. 31, 192, 205; 1991 a. 49; 1993 a. 399; 1995 a. 378; 1997 a. 237, 286; 1999 a. 9; 1999 a. 150 ss. 622, 672; 1999 a. 182; 2001 a. 16.

#### SECTION 8. Initial applicability.

(1) This act first applies to ~~referenda~~ <sup>resolutions to incur debt</sup> that are ~~held~~ <sup>adopted</sup> on the effective date of this subsection.

(END)

A

Section #. 24.66 (4) of the statutes is amended to read:

24.66 (4) POPULAR VOTE, WHEN REQUIRED. If any municipality is not empowered by law to incur indebtedness for a particular purpose without first submitting the question to its electors, the application for a state trust fund loan for that purpose must be approved and authorized by a majority vote of the electors at a special election called, noticed and held in the manner provided for other special elections. The question to be voted on shall be filed as provided in s. 8.37. The notice of the election shall state the amount of the proposed loan and the purpose for which it will be used.

History: 1979 c. 221, 355; 1981 c. 169; Stats. 1981 s. 24.66; 1983 a. 196, 423; 1985 a. 49, 218, 225; 1987 a. 76, 79; 1995 a. 27, 227, 417; 1997 a. 27; 1999 a. 150 s. 672; 1999 a. 182; 2001 a. 16; 2001 a. 30 s. 108.

Not The question submitted shall specify the estimated cost of the interest payments on the ~~amount~~ loan ~~of debt~~ and the term of the loan

INS 2-1

Section #. 66.0619 (2m) (d) of the statutes is amended to read:

66.0619 (2m) (d) The referendum shall be held and conducted and the votes cast shall be canvassed as at regular municipal elections and the results certified to the municipal clerk. A majority of all votes cast in the municipality decides the question.

History: 1971 c. 188; 1975 c. 62, 197; 1983 a. 24, 189; 1983 a. 207 s. 93 (4); 1989 a. 192; 1999 a. 150 s. 162; Stats. 1999 s. 66.0619; 1999 a. 182 s. 203.

(No f) The referendum question shall specify  
the estimated cost of the interest payments  
necessitated by the issuance of the bonds  
and the length of time until the debt  
is retired.



INSERT B (5 pp.)

Section #. 67.05 (6a) (a) 2. a. ✓ of the statutes is amended to read:

Not The question submitted shall specify the estimated cost of the interest payments

67.05 (6a) (a) 2. a. Direct the school district clerk to call a special election for the purpose of submitting the resolution to the electors for approval or rejection, or direct that the resolution be submitted at the next regularly scheduled primary or election to be held not earlier than 45 days after the adoption of the resolution. The resolution shall not be effective unless adopted by a majority of the school district electors voting at the referendum.

History: 1971 c. 29; 1971 c. 154 ss. 41, 80; 1971 c. 211, 295; 1973 c. 23; 1975 c. 182, 311, 422; 1977 c. 26; 1977 c. 29 ss. 733, 734, 1654 (8) (c); 1977 c. 427 s. 132; 1979 c. 221, 297, 311; 1981 c. 20, 282, 377, 391; 1983 a. 207 ss. 47 to 52, 93 (5), (6), (7), 95; 1983 a. 236 s. 13; 1983 a. 532 s. 36; 1983 a. 538; 1985 a. 187, 225, 304; 1987 a. 197; 1987 a. 391; 1989 a. 31, 192, 205; 1991 a. 49; 1993 a. 399; 1995 a. 378; 1997 a. 237, 286; 1999 a. 9; 1999 a. 150 ss. 622, 672; 1999 a. 182; 2001 a. 16.

necessitated by the  
issuance of the bonds  
and the length of  
time until the debt  
is retired.

B cont.

Section #. 67.05 (6a) (am) 1. of the statutes is amended to read:

67.05 (6a) (am) 1. If the public hearing under par. (a) 2. b. is for informational purposes only and, within 30 days after the public hearing, a petition is filed with the school district clerk for a referendum on the resolution signed by at least 7,500 electors of the school district or at least 20% of the school district electors, as determined under s. 115.01 (13), whichever is less, the resolution shall not be effective unless adopted by a majority of the school district electors voting at the referendum. The question submitted shall be whether the initial resolution shall or shall not be approved.

History: 1971 c. 29; 1971 c. 154 ss. 41, 80; 1971 c. 211, 295; 1973 c. 23; 1975 c. 182, 311, 422; 1977 c. 26; 1977 c. 29 ss. 733, 734, 1654 (8) (c); 1977 c. 427 s. 132; 1979 c. 221, 297, 311; 1981 c. 20, 282, 377, 391; 1983 a. 207 ss. 47 to 52, 93 (5), (6), (7), 95; 1983 a. 236 s. 13; 1983 a. 532 s. 36; 1983 a. 538; 1985 a. 187, 225, 304; 1987 a. 197; 1987 a. 391; 1989 a. 31, 192, 205; 1991 a. 49; 1993 a. 399; 1995 a. 378; 1997 a. 237, 286; 1999 a. 9; 1999 a. 150 ss. 622, 672; 1999 a. 182; 2001 a. 16.

and shall specify the estimated  
cost of the interest payments  
necessitated by the issuance  
of the bonds and the length  
of time until the debt is  
retired

B cont.

Section #. 67.12 (12) (e) 2. of the statutes is amended to read:

67.12 (12) (e) 2. Unless the purpose and amount of the borrowing have been approved by the electors under s. 67.05 (6a) or deemed approved by the electors under s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the purpose is to pay unfunded prior service liability contributions under the Wisconsin retirement system if all of the proceeds of the note will be used for that purpose, the borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc), (h) or (i), or subd. 2g. or par. (f) or (h) applies, the school district clerk shall, within 10 days after a school board adopts a resolution under subd. 1. to issue a promissory note in excess of \$5,000, publish notice of such adoption as a class 1 notice, under ch. 985. Alternatively, the notice may be posted as provided under s. 10.05. The notice need not set forth the full contents of the resolution, but shall state the maximum amount proposed to be borrowed, the purpose thereof, that the resolution was adopted under this subsection, and the place where, and the hours during which, the resolution may be inspected. If, within 30 days after publication or posting, a petition conforming to the requirements of s. 8.40 is filed with the school district clerk for a referendum on the resolution signed by at least 7,500 electors of the district or at least 20% of the number of district electors voting for governor at the last general election, as determined under s. 115.01 (13), whichever is the lesser, then the resolution shall not be effective unless adopted by a majority of the district electors voting at the referendum. The referendum shall be called in the manner provided under s. 67.05 (6a), except that the question which appears on the ballot shall be "Shall .... (name of district) borrow the sum of \$.... for (state purpose) by issuing its general obligation promissory note (or notes) under section 67.12 (12) of the Wisconsin Statutes?".

*^ necessitating an estimated \$.... in interest payments over the .... year term of the loan*

History: 1971 c. 49, 144; 1971 c. 152 s. 38; 1971 c. 164, 215; 1973 c. 172, 250; 1975 c. 311; 1977 c. 29; 1977 c. 272 s. 98; 1977 c. 418; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 297; 1981 c. 20, 254; 1981 c. 282 ss. 29, 45; 1981 c. 314; 1983 a. 24, 27, 192, 207, 368, 538; 1985 a. 101, 225; 1987 a. 197, 391, 399, 403; 1989 a. 31, 56, 192, 336, 366; 1991 a. 32, 49; 1993 a. 399; 1995 a. 27, 227, 232, 358; 1997 a. 35, 286; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 182; 2001 a. 16.

B cont.

Section #. 67.12 (12) (e) 5. of the statutes is amended to read:

67.12 (12) (e) 5. Within 10 days of the adoption by a technical college district board of a resolution under subd. 1. to issue a promissory note for a purpose under s. 38.16 (2), the secretary of the district board shall publish a notice of such adoption as a class 1 notice, under ch. 985. The notice need not set forth the full contents of the resolution, but shall state the amount proposed to be borrowed, the method of borrowing, the purpose thereof, that the resolution was adopted under this subsection and the place where and the hours during which the resolution is available for public inspection. If the amount proposed to be borrowed is for building remodeling or improvement and does not exceed \$1,000,000 or is for movable equipment, the district board need not submit the resolution to the electors for approval unless, within 30 days after the publication or posting, a petition conforming to the requirements of s. 8.40 is filed with the secretary of the district board requesting a referendum at a special election to be called for that purpose. Such petition shall be signed by electors from each county lying wholly or partially within the district. The number of electors from each county shall equal at least 1.5% of the population of the county as determined under s. 16.96 (2) (c). If a county lies in more than one district, the technical college system board shall apportion the county's population as determined under s. 16.96 (2) (c) to the districts involved and the petition shall be signed by electors equal to the appropriate percentage of the apportioned population. In lieu of a special election, the district board may specify that the referendum shall be held at the next succeeding spring primary or election or September primary or general election. Any resolution to borrow amounts of money in excess of \$1,000,000 for building remodeling or improvement shall be submitted to the electors of the district for approval. If a referendum is held or required under this subdivision, no promissory note may be issued until the issuance is approved by a majority of the district electors voting at such referendum. The referendum shall be noticed, called and conducted under s. 67.05 (6a) insofar as applicable, except that the notice of special election and ballot need not embody a copy of the resolution and the question which shall appear on the ballot shall be "Shall .... (name of district) be authorized to borrow the sum of \$.... for (state purpose) by issuing

B cont

its general obligation promissory note (or notes) under section 67.12 (12) of the Wisconsin Statutes?"

History: 1971 c. 49, 144; 1971 c. 152 s. 38; 1971 c. 164, 215; 1973 c. 172, 250; 1975 c. 311; 1977 c. 29; 1977 c. 272 s. 98; 1977 c. 418; 1979 c. 34; 1979 c. 110 s. 60 (13); 1979 c. 221, 297; 1981 c. 20, 254; 1981 c. 282 ss. 29, 45; 1981 c. 314; 1983 a. 24, 27, 192, 207, 368, 538; 1985 a. 101, 225; 1987 a. 197, 391, 399, 403; 1989 a. 31, 56, 192, 336, 366; 1991 a. 32, 49; 1993 a. 399; 1995 a. 27, 227, 232, 358; 1997 a. 35, 286; 1999 a. 9; 1999 a. 150 s. 672; 1999 a. 182; 2001 a. 16.

↑ necessitating an estimated \$.... in interest  
payments over the ....<sup>↓</sup>-year term of  
the loan

(DN)

Representative Fricke :

If you would like the referendum question to include "the <sup>total</sup> estimated

cost of debt service ~~less~~ <sup>that is</sup> in addition to the amount of principal," let

us know and we will redraft. The phrase would include the cost of issuing the

debt and the operating cost of managing

the debt in addition to interest payments.

PG & MES

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1074/1dn  
PG&MES:wljjf

January 21, 2003

Representative Friske:

If you would like the referendum question to include "the total estimated cost of debt service that is in addition to the amount of principal," let us know and we will redraft. The phrase would include the cost of issuing the debt and the operating cost of managing the debt in addition to interest payment.

Peter R. Grant  
Managing Attorney  
Phone: (608) 267-3362  
E-mail: [peter.grant@legis.state.wi.us](mailto:peter.grant@legis.state.wi.us)

Marc E. Shovers  
Senior Legislative Attorney  
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E-mail: [marc.shovers@legis.state.wi.us](mailto:marc.shovers@legis.state.wi.us)

## 2003 BILL

REGEN

1 AN ACT *to amend* 24.66 (4), 66.0619 (2m) (d), 66.0803 (1) (b), 66.1103 (10) (d),  
2 67.05 (3) (d), 67.05 (4), 67.05 (5) (a), 67.05 (6), 67.05 (6a) (a) 2. a., 67.05 (6a) (am)  
3 1., 67.12 (12) (e) 2. and 67.12 (12) (e) 5. of the statutes; **relating to:** requiring  
4 certain referenda held by local governmental units to borrow money to contain  
5 financial details.

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*Analysis by the Legislative Reference Bureau*

Generally under current law, any local governmental unit (including a city, village, town, county, school district, technical college district, and metropolitan sewerage district) that is authorized to levy a tax may borrow money to finance any project that is undertaken for a public purpose. Under various circumstances, a local governmental unit that issues debt may be required to conduct a referendum on the question of its proposed borrowing.

Under this bill, if a local governmental unit that would like to borrow money is required to hold a referendum on the question of whether it may issue debt, the referendum question must specify the estimated cost of ~~the interest payments~~ <sup>total</sup> ~~necessitated by the issuance of the debt~~ and the length of time until the debt is retired.

service  
service



**BILL**

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 24.66 (4) of the statutes is amended to read:

2           24.66 (4) **POPULAR VOTE, WHEN REQUIRED.** If any municipality is not empowered  
3 by law to incur indebtedness for a particular purpose without first submitting the  
4 question to its electors, the application for a state trust fund loan for that purpose  
5 must be approved and authorized by a majority vote of the electors at a special  
6 election called, noticed and held in the manner provided for other special elections.  
7 The question to be voted on shall be filed as provided in s. 8.37. The notice of the  
8 election shall state the amount of the proposed loan and the purpose for which it will  
9 be used. The question submitted shall specify the <sup>total</sup> estimated cost of ~~the interest~~  
10 ~~payments~~ <sup>debt service</sup> on the loan and the term of the loan.

11           **SECTION 2.** 66.0619 (2m) (d) of the statutes is amended to read:

12           66.0619 (2m) (d) The referendum shall be held and conducted and the votes  
13 cast shall be canvassed as at regular municipal elections and the results certified to  
14 the municipal clerk. The referendum question shall specify the <sup>total</sup> estimated cost of ~~the~~  
15 ~~interest payments necessitated by the issuance of~~ <sup>debt service on</sup> the bonds and the length of time  
16 until the debt is retired. A majority of all votes cast in the municipality decides the  
17 question.

18           **SECTION 3.** 66.0803 (1) (b) of the statutes is amended to read:

19           66.0803 (1) (b) A resolution, specifying the method of payment and submitting  
20 the question to a referendum, shall be adopted by a majority of all the members of  
21 the board or council at a regular meeting, after publication at least one week previous

## BILL

1 in the official paper. If the method of payment includes borrowing money, the  
2 referendum question shall specify the <sup>total</sup> estimated cost of ~~the interest payments~~  
3 ~~necessitated by the issuance of debt~~ <sup>service</sup> and the length of time until the debt is retired.

4 SECTION 4. 66.1103 (10) (d) of the statutes is amended to read:

5 66.1103 (10) (d) The governing body may issue bonds under this section  
6 without submitting the proposition to the electors of the municipality for approval  
7 unless within 30 days from the date of publication of notice of adoption of the initial  
8 resolution for the bonds, a petition conforming to the requirements of s. 8.40, signed  
9 by not less than 5% of the registered electors of the municipality, or, if there is no  
10 registration of electors in the municipality, by 10% of the number of electors of the  
11 municipality voting for the office of governor at the last general election as  
12 determined under s. 115.01 (13), is filed with the clerk of the municipality and as  
13 provided in s. 8.37 requesting a referendum upon the question of the issuance of the  
14 bonds. If a petition is filed, the bonds may not be issued until approved by a majority  
15 of the electors of the municipality voting on the referendum at a general or special  
16 election. The referendum question shall specify the <sup>total</sup> estimated cost of ~~the interest~~  
17 ~~payments necessitated by the issuance of debt~~ <sup>service</sup> and the length of time until the debt  
18 is retired.

19 SECTION 5. 67.05 (3) (d) of the statutes is amended to read:

20 67.05 (3) (d) The question shall contain a statement of the purpose for which  
21 bonds are to be issued, the <sup>total</sup> estimated cost of ~~the interest payments necessitated by~~  
22 ~~the issuance of the bonds~~ <sup>debt service on</sup>, the length of time until the debt is retired, and the  
23 maximum amount of the bonds to be issued.

24 SECTION 6. 67.05 (4) of the statutes is amended to read:

## BILL

67.05 (4) PERMISSIVE REFERENDUM IN COUNTIES. If a county board adopts an initial resolution for an issue of county bonds to provide for the original construction or for the improvement and maintenance of highways, to provide railroad aid, or to construct, acquire or maintain, or to aid in constructing, acquiring or maintaining a bridge over or across any stream or other body of water bordering upon or intersecting any part of the county, the county clerk is not required to submit the resolution for approval to the electors of the county at a special election unless within 30 days after the adoption thereof there is filed with the clerk a petition conforming to the requirements of s. 8.40 requesting such submission, signed by electors numbering at least 10% of the votes cast in the county for governor at the last general election. If a petition is filed, the question submitted shall be whether the resolution shall be or shall not be approved, and shall specify the <sup>total</sup> estimated cost of the ~~interest~~ <sup>debt service on</sup> ~~payments necessitated by the issuance of the bonds~~ and the length of time until the debt is retired. No such resolution of a county board other than those specified in this subsection need be submitted to county electors, except as provided otherwise in sub. (7).

SECTION 7. 67.05 (5) (a) of the statutes is amended to read:

67.05 (5) (a) Whenever an initial resolution has been so adopted by the governing body of a town, the clerk of the municipality shall immediately record the resolution and call a special election for the purpose of submitting the resolution to the electors of the municipality for approval. The resolution question that is submitted to the electors shall specify the <sup>total</sup> estimated cost of the ~~interest~~ <sup>debt service on</sup> ~~payments~~ ~~necessitated by the issuance of the bonds~~ and the length of time until the debt is retired. This paragraph does not apply to bonds issued to finance low-interest mortgage loans under s. 62.237, unless a number of electors equal to at least 15% of

## BILL

the votes cast for governor at the last general election in their town sign and file a petition conforming to the requirements of s. 8.40 with the town clerk requesting submission of the resolution. Whenever a number of electors cannot be determined on the basis of reported statistics, the number shall be determined in accordance with s. 60.74 (6). If a petition is filed, the question submitted shall be whether the resolution shall or shall not be approved, <sup>total</sup> and shall specify the estimated cost of ~~the~~ <sup>debt service on</sup> ~~interest payments necessitated by the issuance of~~ the bonds and the length of time until the debt is retired. This paragraph is limited in its scope by sub. (7).

SECTION 8. 67.05 (6) of the statutes is amended to read:

67.05 (6) REFERENDUM IN OTHER CASES. Whenever an initial resolution has been adopted by the governing body of any municipality other than a county, a town, a city, a village, a technical college district, a metropolitan sewerage district created under ss. 200.01 to 200.15 or 200.21 to 200.65, a town sanitary district, a public inland lake protection and rehabilitation district or a board of park commissioners, the clerk of such municipality shall immediately record the resolution and call a special meeting for the purpose of submitting it to the electors of the municipality for ratification or rejection. The calling and conduct of the meeting shall be governed by those statutes, so far as applicable, which govern the calling and conduct of special meetings in general. The notice of the meeting, which shall be publicly read before the balloting shall commence, and the ballot used, shall embody a copy of the resolution; the form of the ballot shall correspond with the form prescribed by the elections board under ss. 5.64 (2) and 7.08 (1) (a); and the question submitted shall be whether the resolution shall be approved. <sup>total</sup> The question submitted shall also specify the <sup>debt service on</sup> ~~estimated cost of the interest payments necessitated by the issuance of~~ the bonds and the length of time until the debt is retired.

## BILL

1       **SECTION 9.** 67.05 (6a) (a) 2. a. of the statutes is amended to read:

2       67.05 (6a) (a) 2. a. Direct the school district clerk to call a special election for  
3       the purpose of submitting the resolution to the electors for approval or rejection, or  
4       direct that the resolution be submitted at the next regularly scheduled primary or  
5       election to be held not earlier than 45 days after the adoption of the resolution. The  
6       ~~question submitted shall specify the estimated cost of the interest payments~~  
7       ~~necessitated by the issuance of the bonds and the length of time until the debt is~~  
8       retired. The resolution shall not be effective unless adopted by a majority of the  
9       school district electors voting at the referendum.

10       **SECTION 10.** 67.05 (6a) (am) 1. of the statutes is amended to read:

11       67.05 (6a) (am) 1. If the public hearing under par. (a) 2. b. is for informational  
12       purposes only and, within 30 days after the public hearing, a petition is filed with the  
13       school district clerk for a referendum on the resolution signed by at least 7,500  
14       electors of the school district or at least 20% of the school district electors, as  
15       determined under s. 115.01 (13), whichever is less, the resolution shall not be  
16       effective unless adopted by a majority of the school district electors voting at the  
17       referendum. The question submitted shall be whether the initial resolution shall or  
18       ~~shall not be approved and shall specify the~~  
19       ~~necessitated by the issuance of the bonds and the length of time until the debt is~~  
20       retired.

21       **SECTION 11.** 67.12 (12) (e) 2. of the statutes is amended to read:

22       67.12 (12) (e) 2. Unless the purpose and amount of the borrowing have been  
23       approved by the electors under s. 67.05 (6a) or deemed approved by the electors under  
24       s. 67.05 (7) (d) 3., the purpose is to refund any outstanding municipal obligation, the  
25       purpose is to pay unfunded prior service liability contributions under the Wisconsin

**BILL**

1 retirement system if all of the proceeds of the note will be used for that purpose, the  
2 borrowing would not be subject to a referendum as a bond issue under s. 67.05 (7) (cc),  
3 (h) or (i), or subd. 2g. or par. (f) or (h) applies, the school district clerk shall, within  
4 10 days after a school board adopts a resolution under subd. 1. to issue a promissory  
5 note in excess of \$5,000, publish notice of such adoption as a class 1 notice, under ch.  
6 985. Alternatively, the notice may be posted as provided under s. 10.05. The notice  
7 need not set forth the full contents of the resolution, but shall state the maximum  
8 amount proposed to be borrowed, the purpose thereof, that the resolution was  
9 adopted under this subsection, and the place where, and the hours during which, the  
10 resolution may be inspected. If, within 30 days after publication or posting, a petition  
11 conforming to the requirements of s. 8.40 is filed with the school district clerk for a  
12 referendum on the resolution signed by at least 7,500 electors of the district or at  
13 least 20% of the number of district electors voting for governor at the last general  
14 election, as determined under s. 115.01 (13), whichever is the lesser, then the  
15 resolution shall not be effective unless adopted by a majority of the district electors  
16 voting at the referendum. The referendum shall be called in the manner provided  
17 under s. 67.05 (6a), except that the question which appears on the ballot shall be  
18 “Shall .... (name of district) borrow the sum of \$.... for (state purpose) by issuing its  
19 general obligation promissory note (or notes) under section 67.12 (12) of the  
(20) Wisconsin Statutes, necessitating an estimated \$.... in <sup>total debt service costs</sup> interest payments over the  
21 ....-year term of the loan?”.

22 **SECTION 12.** 67.12 (12) (e) 5. of the statutes is amended to read:

23 67.12 (12) (e) 5. Within 10 days of the adoption by a technical college district  
24 board of a resolution under subd. 1. to issue a promissory note for a purpose under  
25 s. 38.16 (2), the secretary of the district board shall publish a notice of such adoption

**BILL**

1 as a class 1 notice, under ch. 985. The notice need not set forth the full contents of  
2 the resolution, but shall state the amount proposed to be borrowed, the method of  
3 borrowing, the purpose thereof, that the resolution was adopted under this  
4 subsection and the place where and the hours during which the resolution is  
5 available for public inspection. If the amount proposed to be borrowed is for building  
6 remodeling or improvement and does not exceed \$1,000,000 or is for movable  
7 equipment, the district board need not submit the resolution to the electors for  
8 approval unless, within 30 days after the publication or posting, a petition  
9 conforming to the requirements of s. 8.40 is filed with the secretary of the district  
10 board requesting a referendum at a special election to be called for that purpose.  
11 Such petition shall be signed by electors from each county lying wholly or partially  
12 within the district. The number of electors from each county shall equal at least 1.5%  
13 of the population of the county as determined under s. 16.96 (2) (c). If a county lies  
14 in more than one district, the technical college system board shall apportion the  
15 county's population as determined under s. 16.96 (2) (c) to the districts involved and  
16 the petition shall be signed by electors equal to the appropriate percentage of the  
17 apportioned population. In lieu of a special election, the district board may specify  
18 that the referendum shall be held at the next succeeding spring primary or election  
19 or September primary or general election. Any resolution to borrow amounts of  
20 money in excess of \$1,000,000 for building remodeling or improvement shall be  
21 submitted to the electors of the district for approval. If a referendum is held or  
22 required under this subdivision, no promissory note may be issued until the issuance  
23 is approved by a majority of the district electors voting at such referendum. The  
24 referendum shall be noticed, called and conducted under s. 67.05 (6a) insofar as  
25 applicable, except that the notice of special election and ballot need not embody a

**BILL**

1 copy of the resolution and the question which shall appear on the ballot shall be  
2 “Shall .... (name of district) be authorized to borrow the sum of \$.... for (state purpose)  
3 by issuing its general obligation promissory note (or notes) under section 67.12 (12)  
4 of the Wisconsin Statutes, necessitating an estimated \$.... in ~~interest payments~~ <sup>total debt service costs</sup> over  
5 the ....-year term of the loan?”.

**SECTION 13. Initial applicability.**

7 (1) This act first applies to resolutions to incur debt that are adopted on the  
8 effective date of this subsection.

9 (END)



**Mentkowski, Annie**

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**From:** Gary, Tim  
**Sent:** Friday, January 24, 2003 9:23 AM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB-1074/2 Topic: Requirements for local referenda to borrow money

It has been requested by <Gary, Tim> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB-1074/2 Topic: Requirements for local referenda to borrow money